

AMENDED IN SENATE JUNE 29, 2006

AMENDED IN SENATE JUNE 12, 2006

AMENDED IN ASSEMBLY APRIL 6, 2006

CALIFORNIA LEGISLATURE—2005–06 REGULAR SESSION

ASSEMBLY BILL

No. 2711

Introduced by Assembly Member Parra

February 24, 2006

An act to amend Sections 1865 and 33521 of the Financial Code, relating to negotiable instruments.

LEGISLATIVE COUNSEL’S DIGEST

AB 2711, as amended, Parra. Traveler’s checks: payment instruments.

(1) Existing law, the Travelers Checks Act, requires a person to obtain a license from the Commissioner of Financial Institutions before engaging in the business of issuing traveler’s checks. Existing law prohibits a licensee from issuing any form of traveler’s check in this state unless a certified copy of the traveler’s check is first filed with the commissioner.

This bill would instead require traveler’s checks that a licensee issues in this state to meet specified requirements, including that a traveler’s check clearly identify the licensee issuing the check. *The bill would also require that, before a new licensee issues its first traveler’s check for sale in this state, it file a certified copy of the form of that traveler’s check with the commissioner.*

(2) Existing law, the Payment Instruments Law, governs the sale of payment instruments, as defined. Existing law, among other things, prohibits a licensee, as defined, or its agents, as defined, from selling

any payment instrument unless the payment instrument is approved as to form by the Commissioner of Financial Institutions. Existing law requires the commissioner to approve an application as to form of a payment instrument to be issued by a licensee if the commissioner makes specified findings.

This bill would revise these provisions to remove the requirement that the commissioner approve those payment instruments as to form. The bill would prohibit a licensee from selling any payment instrument unless the payment instrument meets specified requirements. *The bill would also require that, before a new licensee issues its first payment instrument for sale in this state, it file a certified copy of the form of that payment instrument with the commissioner.*

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 1865 of the Financial Code is amended
2 to read:
3 1865. (a) No licensee shall issue any form of traveler's check
4 for sale in this state unless all of the following are satisfied:
5 (a)
6 (1) The traveler's check clearly identifies the licensee as the
7 issuer of the traveler's check.
8 (b)
9 (2) The traveler's check is not misleading in any material
10 respect.
11 (c)
12 (3) The traveler's check complies with all applicable laws.
13 (b) *Before a new licensee issues its first traveler's check for*
14 *sale in this state, it shall file a certified copy of the form of that*
15 *traveler's check with the commissioner.*
16 SEC. 2. Section 33521 of the Financial Code is amended to
17 read:
18 33521. (a) No licensee shall, nor shall any licensee cause or
19 permit any of its California agents to, sell in this state any
20 payment instrument issued by the licensee unless all of the
21 following are satisfied:
22 (a)

- 1 (1) The payment instrument clearly identifies the licensee as
2 the issuer of the payment instrument.
3 ~~(b)~~
4 (2) The payment instrument is not misleading in any material
5 respect.
6 ~~(e)~~
7 (3) The payment instrument complies with all applicable laws.
8 ***(b) Before a new licensee issues its first payment instrument***
9 ***for sale in this state, it shall file a certified copy of the form of***
10 ***that payment instrument with the commissioner.***